

§ 5451.4

(2) Road construction required under the contract has been completed, the value of which when combined with contract payments is equal to no less than 60 percent of the total purchase price.

(b) At the request of the purchaser, when the requirements set forth in the proviso to paragraph (a) of this section have been met, the amount of the performance bond may be reduced to 10 percent of the total purchase price or the entire cost of the uncompleted post-harvest contract requirements, whichever is greater. The amount of the performance bond shall not be reduced below 10 percent of the total purchase price until payment for all the timber sold under the terms of the contract is complete.

(c) For the purpose of this section, the value of completed road construction shall be based on the Bureau's appraisal allowance.

Satisfactory completion of portions of the required road construction, to reasonable points that can be easily identified in the road construction appraisal, shall be considered as completed road construction for the purpose of this section.

[55 FR 19886, May 14, 1990]

§ 5451.4 Payment bond.

To obtain permission to (a) cut and remove timber, or (b) remove timber already cut, which has been secured by an increased performance bond as provided for in § 5451.2, before payment of the first or subsequent installments, the purchaser must obtain a payment bond in an amount equal to one or more installment payments as determined by the authorized officer. The payment bond may be a bond of a corporate surety shown on the approved list issued by the U.S. Treasury Department and executed on an approved form or negotiable securities of the United States. The payment bond may be a bond of a corporate surety shown on the approved list issued by the United States Treasury Department and executed on an approved form, negotiable securities of the United States, or any guaranteed remittance approved by the authorized officer. If a bond of a corporate surety is used, the payment bond shall provide that if the

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purchaser fails to make payment as required by § 5461.2(c) of this chapter, the surety will make such payment including any required interest to the Bureau within 60 days after demand therefor by the Bureau. With the written approval of the authorized officer a single blanket payment bond may be allocated to two or more contracts with the same purchaser in the same Bureau of Land Management administrative district. When operations cease for 60 days or more, the amount of a payment bond may be adjusted downward to an amount equal to the value of the timber cut. Before operations resume, a reduced bond shall be increased to the amount of a full installment.

[38 FR 6281, Mar. 8, 1973, as amended at 46 FR 42674, Aug. 24, 1981; 47 FR 38697, Sept. 2, 1982]

Subpart 5452—Method of Payment

§ 5452.1 Cash sales.

For sales under \$500 the full amount shall be paid prior to or at the time the authorized officer signs the contract.

[35 FR 9787, June 13, 1970]

§ 5452.2 Installment payments.

For sales of \$500 or more the authorized officer may allow payment by installments as provided by § 5461.2 of this chapter.

[35 FR 9787, June 13, 1970]

PART 5460—SALES ADMINISTRATION

Subpart 5461—Contract Payments

Sec.

5461.1 Payment in advance of cutting or removal.

5461.2 Required payment schedule.

5461.3 Total payment.

Subpart 5462—Contract and Permit Requirements

5462.1 Contract and permit compliance.

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Subpart 5463—Expiration of Time for Cutting and Removal

5463.1 Time for cutting and removal.